# DEMOGRAPHIC VARIABLES AND INTRINSIC AND EXTRINSIC VARIABLES' INFLUENCE ON EMPLOYEE' S JOB SATISFACTION

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### DECLARATION

The materials in this dissertation are original except for quotation, excerpts, summaries and references which have been duly acknowledged.



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#### ABSTRAK

Objektif utama dalam kajian ini adalah untuk mengkaji sifat perhubungan di antara faktor demografik seperti jantina, kaum, status perkahwinan, latar belakang pendidikan, dan kedudukan dalam sesuatu pertubuhan dan faktor semulajadi seperti sokongan antara rakan sekerja, sokongan penyelia, kriteria pekerjaan, kejelasan peranan dan faktor luaran seperti kadar pembayaran, dan peluang kenaikkan pangkat. Matlamat penyelidikan adalah untuk mengkaji keberdikarian di kalangan 116 pekerja di dalam 10 pertubuhan di Kota Kinabalu, Sabah, Malaysia

Hasil kajian mendedahkan bahawa tiada hubungan diantara faktor jantina dalaman dan luaran: tiada hubungan diantara bangsa dan dalaman dan faktor luaran: tiada hubungan diantara pendidikan latar belakang dan dalaman dan faktor luaran; tiada hubungan diantara posisi didalam organisasi dan dalaman dan luaran faktor; tiada hubungan diantara tahap perkahwinan dan sokongan pegawai atasan dan tahap pendapatan: terdapat kepentingan hubungan diantara tahap perkahwinan dan sokongan pasangan. faktor-faktor pekerjaan. kepentingan peranan dan peluang promosi.

#### ABSTRACT

The main objective of the research is to examine the nature of relationship between the demographic factors such as gender, race, marital status, education background, and position in the organization and the intrinsic factors such as co-worker support, supervisor support, job characteristics, role clarity and extrinsic factors such as pay level, and promotion opportunities. The purpose of this research is to establish to what extent the independent variables influenced employees' satisfaction in 116 responders chosen from 10 organizations

in Kota Kinabalu, Sabah, Malaysia.

The findings revealed that there is no relationship between gender and intrinisic and extrinsic factors; no relationship between race and intrinsic and extrinsic factors; no relationship between education background and intrinsic and extrinsic factors; no relationship between position in the organization and intrinsic and extrinsic factors; no relationship between marital status and supervisor support and pay level; there is significant relationship between marital status and co-worker support, job characteristics, role clarity and promotion opportunities.

#### CHAPTER 1

#### **INTRODUCTION**

#### 1.10verview

With the economical globalization process picking up pace, we have strongly realized that the economic organizations should not only attempt to maximize efficiency and interests but also pursue the enhancement of their employee's satisfaction, and, therefore, the human resource should be regarded as the base and focus of modern management. Job satisfaction, as the product of an individual's thoughts, feelings, and attitudes towards work, has played an important role in a company's ability to attract and retain qualified workers. It is a crucial issue for both individuals and organization and has occupied a central role in many theories and models of individual attitudes and behaviors. It is clear that the satisfaction is important not only to a company but also to an individual. The study of the factors influencing job satisfaction has potential practical values in the enhancement of personal qualification and the efficiency of organizational administration.

This research describes what we know about the nature, causes, measurements, and consequences of job satisfaction, including demographic factors such as gender, race, marital status, education background, position in the organization; extrinsic factors such as pay and promotion; and intrinsic factors such as co-worker support, supervisor support, job characteristics, and role clarity. Based on the results of the investigation on 116 respondents chosen because of convenience of access to the demographic factors and intrinsic factors influencing employee's job satisfaction, this research will lay out an agenda that would provide a better understanding of demographic variables and

intrinsic and extrinsic variables' influence on employee's job satisfaction, in Kota Kinabalu, Sabah, Malaysia.

What organizational policies and procedures, and what elements of the work itself are related to job satisfaction? Based on Greenberg & Baron (1995), several key determinants have been identified. First, we know that the organization's reward system is highly related to job satisfaction. This refers to how pay, benefits, and promotions are distributed. Are people paid adequately and fairly relative to others? Research has found that satisfaction is enhanced by the use of pay systems believed to be fair –with respect to both the level of compensation received, and the mechanisms used to determine that pay.

Greenberg & Baron (1995) believed that the second organization-based determinant of job satisfaction is perceived quality of supervision. Specifically, studies have determined that satisfaction tends to be higher when people believe their supervisors are competent, have their best interests in mind, and treat them with dignity and respect than when they are just the opposite. Communication is another aspect of high-quality supervision. In this regard, it has been determined that people are more satisfied with their jobs the more they have opportunities to communicate with their supervisors.

Third, we know what job satisfaciton is related to the decentralization of power. Decision making and organizational design –decentralization is the degree to which the capacity to make decision resides in many people as apposed to just one, central person. When power is decentralized, many people are allowed to make decisions and can freely participate in decision making. Such situations tend to promote job satisfaction. By contrast, when decision-making authority is concentrated in the hands of just a few, people tend to believe that they are relatively powerless and, not surprisingly, feel dissatisfied (Lussier, 2005).

A fourth determinant of satisfaction is level of work and social stimulation. Many people are satisfied with jobs that provied them with an overall workload and level of variety that is not so low as to be boring and not so high as to be overwhelming and overly challenging. This factors applies mostly to individuals who see their jobs as a career as opposed to those who see their positions as temporary, short-term ones. By contrast, those who do not have a career orientation tend to be most satisfied not by aspects of the work, but by pleasant social conditions on the job(e.g., lots of friends). This is not surprising, because only those who really care about their careers would be expected to find satisfaction in the work they do (Greenberg & Baron 1995).

A fifth determinant of job satisfaction is pleasant working conditions, and dark, noisy environments with extreme temperatures and poor air quality. Although these factors are not directly associated with the jobs themselves, but with the context in which the work is performed, unpleasant working conditions have been found to havae adverse effects on job satisfaction (Greenberg & Baron 1995).

In addition to these organization determinants of job satisfaction, there are also several different personal factors that influence this important work-related attitude.

First, several different personality variables have been linked to job satisfaction. Among these are self-esteem and the Type A behaviour pattern, and the ability to withstand stress. Research has shown that the more of these variables people posses, the more satisfied they will feel about their jobs (Greenberg & Baron 1995).

Second, job satisfaction is related to status and seniority. Generally speaking, the higher one's position in an organizational hierarchy, the more satisfied that individual tends

to be. This satisfaction stems, to some extent, from the fact that higher-level individuals usually enjoy better working conditions and more generous rewards than lower-level individuals. Moreover, people who are satisfied with their jobs tend to remain in them longer than those who are dissatisfied employees probably do not stay long enough to ever reach the highest echelons of their organizations (Greenberg & Baron 1995).

Third, job satisfaction is related to the extend to which people are performing jobs congruent with their interest. Testing this relationship, people working in fields that did not interest them expressed considerable dissatisfaction with their positions (Greenberg & Baron 1995).

Fourth, and finally, job satisfaction has been found to be related to one's general life satisfaction. The more people are satisfied with aspects of their lives unrelated to their jobs, the more they also tend to be satisfied with their jobs. This effect has been explained, in part, in terms of the tendency for one type of satisfaction to "spill over" into the other. For example, the greater the importance of work in people's lives, the more likely satisfaction with one's job is likely to be associated with satisfaction with one's life in general (Greenberg & Baron 1995).

To summarize, a broad array of both personal and job-related variables are associated with job satisfaction. Although some of these variables are consistent with established theories of job satisfaction, others are either at odds with such views or fail to be taken into consideration by them. As a whole, these lines of investigation take a critical step toward the dual goals of studying job satisfaction as well as improving the quality of working life and the functioning of orgnizations (Greenberg & Baron 1995).

Over the past seventy years, researchers have conducted virtually thousands of studies

dealing with job satisfaction. Many of these have identified factors that lead people to become more satisfied, these fall into two broad categories: those relating to the organization and the job performed, and those relating to the personal characteristics of the employees themselves.

People talk a great deal about the importance of building employee satisfaction, assuming that morale as critical to the functioning of organizations. Cascio (2003) said as we would see, although job satisfaction did indeed influence organizations, its impact was not always as strong as one might expect. Thus, we might ask: What variables were affected by job satisfaction? The summary would focus on two main types: employee withdrawal(i.e., absenteesim and turnover) and job performance.

When employees dissatisfied with their jobs they tend to find ways of minimizing their exposure to them that is, they withdraw. Two main forms of employee withdrawal are absenteeism and voluntary turnover. By not showing up to work and/or by quitting to take a new job, people might be expressing their dissatisfaction with their jobs or attempting to escape from the unpleasant aspects they may be experiencing (Jamal, M., & Jamal, S. M., 1982).

With respect to absenteesim, Robbins (2001) has shown that the lower individuals' satisfaction with their jobs, the more likely they are to be absent from work. The strength of this relationship, however, is modest rather than strong. The reason is that dissatisfaction with one's job is likely to be just one of many factors influencing employees' decisions to report or not report to work. For example, even someone who really dislike her job may not be absent if she believes her presence is necessary to complete an important project. However, another employee might dislike her job so much that she will "play hooky"

without showing any concern over how the company will be affected. Thus, although it's not a perfectly reliable reaction to job satisfaction, absenteeism is one of its most important consequences. And it is also a costly one: the average company's annual expenses resulting from unscheduled absences range between \$247 and \$534 per employee. Not surprisingly, companies are extremely interested in controlling the problem of absenteeism.

Another costly form of withdrawal related to job satisfaction is voluntary turnover. The lower people's levels of satisfaction with their jobs, the more likely they are to consider resigning and to actually do so. As in the case of absenteesim, this relationship is modest, and for similar reason. Many factors relating to the individuals, their jobs, and economic conditions shape decisions to move from one job to another. For example, in a recent study Timothy, A. J., et al (2002) found that the extent to which dissatisfaction was associated with turnover depended on people's affective dispositions -that is, on their tendency to be generally satisfied (happy with life in general) or dissatisfied (prone to gripe a lot about things). Among those with positive dispositions, the negative correlation between job satisfaction and turnover was much stronger than it was among those with negative dispositions. This may be explained by nothing that when someone who generally positive about things is dissatisfied with his or her job, that reaction is so special that it prompts the individual into taking action -quitting. By contrast, someone who is generally dissatisfied with life is probably also dissatisfied with his or her job, and this reaction is not so unique as to trigger any concrete reaction. Thus, the extent to which dissatisfaction is associated with turnover appears to depend on a key aspect of personality.

Based on Parkes & Razavi (2004), there are many more variables involved in making turnover decisions. Many of these are described in a model of the voluntary turnover process described by Mobley. According to their conceptualization, job dissatisfaction leads employees to think about the possibility of quitting. This, in turn, leads to the decision to search for another job. Then, if the search is successful, the individual will develop definite intentions either to quit or to remain on the job. Finally, these intensions are reflected in concrete actions.

Moyle (1995) suggested that economic conditions, and hence the success of an initial search for alternative jobs, exert a strong impact on voluntary turnover is supported by the findings of a study by Berry, J. W., Poortinga, Y. H., Segall, M. H., & Dasen, P. R. (2002). These researchers examined the results of a large number of previous studies concerned with turnover. For each, they contacted the people who had conducted the study and determined the precise dates during which their data had been collected. Then, Carra, S. S., Drasgow, F., & Fitzgerald (2005) obtained data on the unemployment rates prevailing at those times. They predicted that the relationship between job satisfaction and turnover would be stronger at times when unemployment was low than when they are highly dissatisfied with their present jobs. By contrast, conditions of high unemploymetn would limit alternative job options, leading people to stay with their present jobs despite their dissatisfaction with them. This is precisely what they found. The higher the unemployment rates were, the lower was the correlation between job satisfaction and turnover.

Based on Stephen P. Robbins(1988), job satisfaction means an employee's general attitude toward his or her job. When people speak of employee attitudes, more often than not they mean job satisfaction. Research evidence showed that people seek to reduce dissonance, or inconsistencies among their attitudes and between their attitudes and behaviour. Thus individuals seek to reconcile divergent attitudes and align their attitudes

and behaviour in order to appear rational and consistent. It's hard for employees to strongly dislike their job and the company they work for and yet come to work regularly and on time, and exert a high level of effort. Similarly, a person who strongly believes that cigarettes are a major cause of lung cancer might have difficulty being a successful sales representative for a tobacco company. Of course, this doesn't mean that all people who dislike their job will resign or that you can't be a successful tobacco salesperson and think cigarettes and cancer are linked. The evidence suggests that when there is an inconsistency, forces are initiated to return the individual to a state of equilibrium, in which attitudes and behaviour are again consistent. This can be done by altering either the attitudes ("This job isn't so bad after all") or the behaviour (increasing absenteeism, looking for another job, quitting), or by developing a rationalization for the discrepancy ("Cigarettes may cause cancer, but jobs are tight and I have a family to support"). Employees can be expected to try to reduce dissonance. Therefore, not surprisingly, there is relatively strong evidence indicating that committed and satisfied employees have lower rates of turnover and absenteeism. Since managers desire to keep resignations and absences down -especially among their more productive employees - they should do those things that will generate positve job attitudes. Dissonance, however, can be managed. If employees are required to engage in activities that appear inconsistent to them or that are at odds with their attitudes, managers should remember that the pressures to reduce the dissonance is externally imposed and uncontrollable. The pressure is also lessened if rewards are significant enough to offset the dissonance. The findings on the satisfaction-productivity relationship have important implications for managers. They suggest that the goal of making employees happy, on the assumption that it will lead to high productivity, is probably misdirected. You may end up

with a very happy, contented, but poorly performing group of employees. Managers would get better results by directing their attention primarily at what will help employees become more productive. Successful job performance should then lead to feelings of accomplishment, increased pay, promotions, and other rewards –all desirable outcomes –which then lead to satisfaciton with their job.

#### **1.2 Research Questions**

Based on Vandenberg & Scarpello (1990), most people must work and the work will consume most of their adult time. Therefore, it is employers' obligation to make the work experience personally rewarding.

There are not only many traditional elements such as extrinsic factors including pay level and promotion opportunities as well as intrinsic factors such as co-worker support, supervisor support, different job characteristics and role clarity, but also some demographic factors, such as gender, race, marital status, education background, and position in the organization, which have influenced on job satisfaction of workers. How do the demographic factors influence the intrinsic and extrinsic factors of employee's job satisfaction? Basically, this research will try to answer the questions as outlined below: 1.2.1 Is there a relationship between demographic variables and co-worker support's influence on job satisfaction?

1.2.2 Is there significant relationship between the demographic variables and supervisor support's influence on job satisfaction?

1.2.3 Is there significant relationship between the demographic variables and job characteristics' influence on job satisfaction?

1.2.4 Is there significant relationship between the demographic variables and role clarity's influence on job satisfaction?

1.2.5 Is there significant relationship between the demographic variables and pay level's influence on jobsatisfaction?

1.2.6 Is there significant relationship between the demographic variables and promotion opportunities' influence on job satisfaction?

#### 1.3 Research Objectives

The purpose of this study is to investigate the relation between the demographic variables (gender, race, marital status, education background, and position in the organization), the intrinsic variables (co-worker support, supervisor support, different job characteristics and role clarity) and extrinsic variables (pay level, and promotion opportunities). The objectives of this research in more details are as follows:

- a) To examine whether the demographic variables have significant relatioship with the co-worker support's influence on job satisfaction.
- b) To examine whether the demographic variables have significant relationship with supervisor support's influence on job satisfaction.
- c) To examine whether the demographic variables have significant relationship with job

characteristics' influence on job satisfaction.

- d) To examine whether the demographic variables have significant relationship with role clarity's influence on job satisfaction.
- e) To examine whether the demographic variables have significant relationship with pay level's influence on job satisfaction.
- f) To examine whether the demographic variables have significant relationship with promotion opportunities' influence on job satisfaction.

#### 1.4 Scope of Study

Recent international studies carried out in a number of countries have drawn attention to the degree of job satisfaction among employees. The study attempted to evaluated the relationship between the demographic factors and intrinsic and extrinsic factors' influence on job satisfaction. However, given that most of international studies on employees satisfaction have been conducted in developed countries, one realizes the need in the available literature for similar research in developing countries as well. The scope of this study was to reveal the relationship between the demographic factors and intrinsic and extrinsic factors influence on employee's job satisfaction in Kota Kinabalu, Sabah. Based on Individual-level studies of job satisfaction have tended to use occupationally disparate, cross-sectional samples in different job in different organization experiencing different labor market at one time (Jamal, M., & Jamal, S. M., 1982). This study is carried out in Kota Kinabalu, Sabah, Malaysia, based on **116** employees with different jobs from 10 organizations at the same time. The individual samples here were based on the convenience sampling.

#### 1.5 Significance of the Study

The results of this investigation may not only enrich the literature of factors of job satisfaction, but also help the human resource managers of Kota Kinabalu city to improve the efficiency of human resource practices. Data collected from this research may help the managers realize job satisfaction is directly related with demographic factors such as gender, race, marital status, education background, and position in the organization. The results of this research could also serve as a reference for further investigations about factors influence job satisfaction in the organization. This survey may also provide a channel for the employees's adjustment in the organization. On behalf of the management, this study was enabling human capital officers to carry through assessment and planning strategies and to evaluate and upgrade the workplace climate. The study will provide the managers with new insights into their management of the employees' job satisfaction and devotion to the organization. The information is important as a development indicator for the management in the organizations who always take care of employee's welfare and contribute to establish a harmonious relationship with co-worker, to add the promotion opportunites and to improve the job clarity in their organization.

#### 1.6 Definitions of Key Terminologies in This Study

The key terminologies used in this study have specific meaning and such definitions in general context as well as in the context of this research are outlined below.

#### 1.6.1 Job satisfaction

According to Wayne (2003), job satisfaction is an affective or emotional response toward